

January 19, 2011

**Health & Human Services Appropriation Subcommittee  
Children's Mental Health Hearing**

Yellowstone Boys and Girls Ranch (YBGR) has been in the business of serving high risk youth and families for the past 53 years. We offer the full array of services from Psychiatric Residential Treatment Care to in home services. On any given day we provide services to approximately 50 Montana youth in residential services and to over 500 kids and families in the communities of 14 counties in Montana. YBGR is funded by fees from DPHHS agencies, Medicaid and is contracting now with insurance companies such as Blue Shield Blue Cross. YBGR also serves youth from other states.

YBGR's 2010 annual revenues were \$25.5 million including \$2 million in donations and gifts. Our total expenditures were \$24.4 million and our annual salary and benefits cost were \$17.3 million with a total of 426 employees.

To give you a perspective of where we've been as a state, I'll share a brief history of services. In the mid 1970's most out of home care was provided in state facilities. There were around 500 youth: Mt View – 120 girls, Pine Hills – 165, Twin Bridges – 185 and Warm Springs – 35.

In the 1980's more private providers began to serve kids. The Department of Family Services developed a rate matrix that included foster care, therapeutic foster care and group care. The rates were based on only 78% of actual costs and to date this matrix has not been revisited or reevaluated. These rates cover the room and board portion of all out of home services except for Psychiatric Residential Treatment Facilities (PRTF).

In the 1990's many services were refinanced to Medicaid including PRTFs, and the treatment portion of Therapeutic Foster care and Therapeutic Group Care. During that time intensive family based services and case management began to emerge.

One of the positive results of mental health managed care in the late 1990's is that it operated under a Medicaid waiver that allowed some flexibility to create and support more services to work with kids and families in their homes and communities. Between 2001 and 2003 at the encouragement of the Legislature the Children's Mental Health Bureau was created and staffed for the first time.

A large SAMHSA grant from 2004 – 2010, supported development and enhancement of the Children's System of Care and multiagency planning. It promoted the active involvement of families at all levels including individual care coordination to representation on local and state planning and advisory councils and boards. The main focus currently for the CMHB is the training and implementation of high fidelity wrap-around services statewide. Montana has developed an expansive array of services and provider network that could compete with or stand above most states in the country. This system of care is a result of long standing and positive partnerships between providers and the State of Montana.

As you make decisions about this budget and rates keep in mind how critically important this work is, providing an opportunity for these kids and their families to have the support and services they need to not only survive but to prosper.

CMHB provider rates have reverted back to the 2009 level. Ask these questions as you deliberate on the budget. Where is the equity of automatic adjustment to offset the increased cost of doing business for state government but never for private providers who ensure that essential services are provided? Why are incremental fee increases and incentives included in the contract for our utilization review company Magellan Medicaid Services but not for providers? Is there a better way to set rates and increase quality and accountability?

Please support provider rate increases for children's services.

Thank you for your hard work and we look forward to continuing to work with DPHHS and the State of Montana.

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